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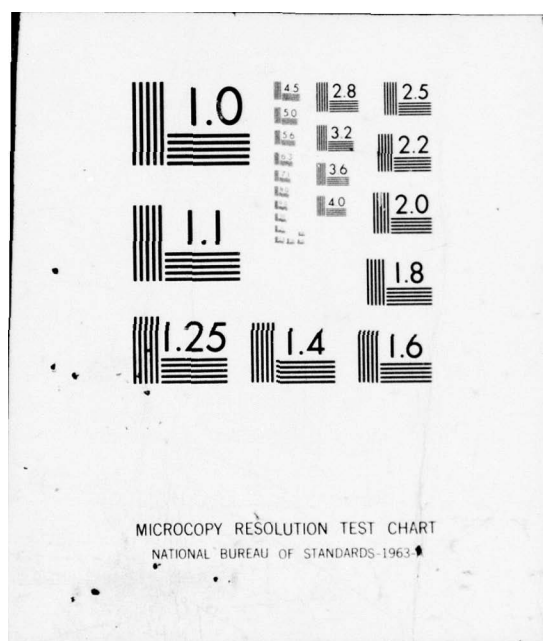
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FINAL REPORT
(Background Study)

POTENTIAL IMPACTS RELATED TO THE
PROPOSED STRATEGIC AIR COMMAND REALIGNMENTS

Institutional Characteristics
Transportation
Civilian Community Utilization
Land Use

FOR

Loring AFB, Maine
Dwightville AFB, Arkansas

TO

NO USAF/Deputy Chief of Staff
for Program and Resources
Directorate of Engineering and Services
Environmental Planning Division
Washington, D.C. 20330

December 17, 1976

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9 FINAL REPORT
(Background Study)

6 POTENTIAL IMPACTS RELATED TO THE
PROPOSED STRATEGIC AIR COMMAND REALIGNMENTS,

(cont. fr p.ii)

4 Institutional Characteristics,
Transportation,
Civilian Community Utilities, and
Land Use,

for

Loring AFB, Maine
Blytheville AFB, Arkansas

To

HQ USAF/Deputy Chief of Staff
for Programs and Resources
Director of Engineering and Services
Environmental Planning Division
Washington, D.C. 20330

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PREFACE

4 This report was developed as one of a number of background studies for use by the United States Air Force in preparing Final Environmental Impact Statements on proposed Defense realignment actions at several Air Force installations. This study identifies and evaluates potential impacts on selected community/regional characteristics resulting from reduction of Loring AFB, Maine or closure of Blytheville AFB, Arkansas. *Topics covered include: (cont on t.p.)*

This study was prepared by the Economics and Management Science Division of Midwest Research Institute. Project participants included Ms. Margaret Thomas and Mr. Robert Gustafson, Project Leaders; Dr. Cynthia Tinberg, Ms. Mary Kies, and Mr. Marvin Luttrell. The study was under the general direction of Mr. Bruce W. Macy, Director, Economics and Management Science Division and Manager, Regional Economics Section.

We are most appreciative of the thoughtful contributions provided by many individuals in various governmental agencies at the local, regional, and state level as well as numerous community spokespersons for local interests. Air Force Base information offices assisted the study team generously in data collection efforts. The considerate cooperation of the coordinating firm of Hammer, Siler, George Associates is also gratefully acknowledged.

Approved for:

MIDWEST RESEARCH INSTITUTE

Bruce W. Macy

Bruce W. Macy, Director
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I. INTRODUCTION

A. Scope of Work

This report was prepared to assist the United States Air Force in developing a socioeconomic evaluation of possible environmental effects resulting from proposed realignment actions involving several Air Force bases. This research effort required a review of TAB A-1 Environmental Narratives, evaluation of additional baseline data provided by the Air Force, and generation of primary data from state, regional and local community sources. The result is an evaluation of potential impacts on specific elements within the current socioeconomic setting. The scope of this study encompasses the following possible impact areas (format similar to that in Air Force TAB A-1 Environmental Narrative):

- 4.3 Institutional Characteristics
 - 4.3.1 Government
 - 4.3.1.1 Structure
 - 4.3.1.1.1 Local Government
 - 4.3.1.1.2 Other Jurisdictions
 - 4.3.1.1.3 Relationship of Local Community
 - 4.3.1.1.4 Federal Regions
 - 4.3.1.1.5 Designation in Special Federal Area
 - 4.3.1.2 Planning Function
 - 4.3.1.2.1 Administrative
 - 4.3.1.2.2 Legislative
 - 4.3.1.2.3 Legal
 - 4.3.2 Decision Process
 - 4.3.2.1 Key Interested Parties
 - 4.3.2.2 Significant Influence
- 4.4 Activity Systems and Plans
 - 4.4.1 Transportation
 - 4.4.1.1 General
 - 4.4.1.2 Off-Base
 - 4.4.1.2.1 Air Transportation
 - 4.4.1.2.2 Rail Transportation
 - 4.4.1.2.3 Highways
 - 4.4.1.2.4 Rapid Transit
 - 4.4.1.2.5 Trends
 - 4.4.1.3 On-Base
 - 4.4.1.3.1 Interface with Community
 - 4.4.1.3.2 Internal Circulation
 - 4.4.2 Utilities
 - 4.4.2.1 Civilian Community Utilities
 - 4.4.3 Land Use
 - 4.4.3.1 Existing Land Use

- 4.4.3.1.1 Summary of Existing Land Use in the Region of Influence
- 4.4.3.1.2 Summary of Existing Land Use in the Communities/Counties
Within the Region of Influence
- 4.4.3.2 Land Ownership and Value
- 4.4.3.3 Future Land Use
- 4.4.3.3.1 Adjacent Area Land Use Analysis (Future)
- 4.4.3.4 Anticipated Encroachment Evaluation
- 4.4.3.4.1 Existing Conditions Within the AICUZ ^{1/}
- 4.4.3.4.2 Future Conditions Within the AICUZ
- 4.4.3.5 Summary of On-Base Land and Facilities
- 4.4.3.5.1 Primary Installation
- 4.4.3.5.2 Cost
- 4.4.3.6 On-Base Facilities
- 4.4.3.6.1 Mission Facilities
- 4.4.3.6.2 Personnel Facilities

The scope of this study concerns only the potential impacts of alternative Air Force actions upon the above-mentioned elements. The extensive characterization of land use, community utilities, transportation, and governmental structures and functions as they exist in the present setting is not included in this assessment. Where preliminary analysis revealed there was no potential for significant impact on one of the aforementioned parameters, no further analysis was conducted. Similarly, some parameters were shown to be irrelevant to the data needs of the Draft EIS and were therefore eliminated.

B. Alternative Actions

The United States Air Force, in an effort to reduce overhead and support costs while maintaining deterrence and strategic effectiveness, has conducted a review of all 10 active Air Force bases currently supporting a B-52G aircraft operation as candidates for closure or reduction. Eight of the 10 bases were eliminated from further assessment. The remaining two (Loring AFB, Maine, and Blytheville AFB, Arkansas) are under consideration for the following actions:

1. Reduce Loring AFB, Maine, to a forward operating base by inactivating the 42nd Bombardment Wing and its supporting units and transferring its assets to other locations. A squadron would be activated to maintain the base as a forward operation location supporting day-to-day alert operations and capable of supporting contingency operations. This action would be completed by end of FY 1977. Loring AFB manpower authorization would be reduced from 3,690 military and 930 civilian FTE positions to 705 military and 358 civilian FTE positions.^{2/}

^{1/} Air Installation Compatible Use Zone.

^{2/} Adjusted manpower figures supplied by Hammer, Siler, George Associates, 1140 Connecticut Avenue, N.W., Washington, D.C.

2. Relocate active forces and activities presently assigned to Blytheville AFB and close the base by end FY 1977. This relocation would involve 2,830 military personnel and 617 civilian FTE personnel who would be transferred or terminated by end FY 1978.

C. Research Approach

The methodology employed by the research team in developing the 15 June 1976 draft report included the following components:

1. The primary data sources for this preliminary report were the TAB A-1 Environmental Narratives and information prepared by the base information offices on the interrelationship of each base to the impact area. At the request of the Air Force, data sources did not include local citizens or public officials. Preliminary assessments presented in this preliminary report were developed without contact or communications between the research team and the impacted communities. General information on the impact areas was obtained from state and regional public agencies.

2. Available information was evaluated and impacts from proposed Air Force realignment actions were assessed for effects on the following parameters:

- Governmental institutions
- Transportation
- Civilian community utilities
- Land use

3. Possible impacts upon the above four elements were examined in terms of the following considerations:

- Comparative analyses of impacts of viable alternatives
- Relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity
- Irreversible and irretrievable commitments of resources
- Unavoidable adverse impacts and mitigation possibilities
- Unresolved issues

4. A report detailing the results of the assessment study was prepared for use by SAC Headquarters in developing the Draft Environmental Impact Statement.

The accompanying report is a correction and refinement of the 15 June 1976 draft assessment based on additional data sources summarized below.

1. Public hearings at Blytheville, Arkansas, and Limestone, Maine, were held on October 18-19 and November 17-18, respectively. A member of the project team attended the public hearing for Loring AFB to record presentations appropriate to the four impact categories. In addition, a prehearing meeting in Limestone, Maine had been attended. A summary report on pre-hearing and hearing meetings in Blytheville, Arkansas, was furnished by SAC Headquarters.
2. Transcripts of the testimony presented at both public hearings were received and examined for information relevant to the four impact parameters. Annotated transcripts were also received from the consulting firm of Hammer, Siler, George Associates for use in defining areas of response appropriate to MRI's scope of work.
3. Where additional data needs were indicated from prehearing meetings or public hearings, the project team relied primarily on telephone contacts with local community representatives to refine or confirm impact assessments. Individuals who participated in public hearings or spokespersons for the interests they represented were contacted directly whenever possible. Records were made of all telephone communications for reference use.

4. Data on total population and total household losses were provided by Hammer, Siler, George Associates for use in assessing impacts on civilian community utilities.

Insofar as possible, qualitative and quantitative statements of impacts on the four study parameters were confirmed through communication with knowledgeable local community representatives; additional data provided for one base were also developed for the second base. Impact analyses are as comprehensive and comparable for the two impact areas as available time and data permitted.

II. IMPACT ANALYSIS

A. Reduction of Loring Air Force Base

1. INSTITUTIONAL CHARACTERISTICS (AFERN 4.3)

Present forms of government and jurisdictional boundaries of the local communities and townships of the Presque Isle-Caribou Federal Labor Market Area as well as Aroostock County government are not likely to be altered as a result of the reduction of Loring AFB. However, impacts on public finance, community and municipal services, and public schools (discussed in AFERN categories 4.2.3, 4.3.5, and 4.3.3, respectively) will be significant. The economic, cultural, and social losses throughout the impact area's local communities will necessitate substantial community conversion efforts that must be spearheaded primarily by local governments in Limestone, Caribou, Presque Isle, and Fort Fairfield. New public or quasi-public institutions may emerge as mechanisms for economic recovery measures including strategies for increased commercial and industrial development in the impact area.

Additional government services will be needed to help civilian personnel currently employed at the base who will be unemployed as a result of the reductions. Military retirees of the area may also be forced to rely more heavily on civilian community services. At the same time, both financial and labor resources for government operations will be severely strained. As an example of one effect on labor resources, approximately 600 individuals who are either base employees, spouses of base employees, or dependents of base employees currently hold jobs in local communities in the Presque Isle-Caribou Federal Labor Market Area. As is shown in Table 1, over 100 of these persons hold jobs in federal, state, or local governments. Another 256 persons are employed in service-oriented jobs. Loss of these individuals will require considerable internal readjustments of administrative branches of area governments.

Formal and informal cooperative agreements between the base and surrounding communities now provide police and fire protection, medical services, recreation opportunities, and other benefits (AFERN 4.3.5). There is likely to be a significant transition period during which local and county governmental units cannot provide services comparable to those available prior to the reduction of Loring AFB.

TABLE 1

SECOND JOBS OF EMPLOYEES OF LORING AIR FORCE BASE AND
EMPLOYMENT OF SPOUSES AND DEPENDENTS, BY TYPE

<u>Type of Employment</u>	<u>Number of Second Jobs Held By Base Employees</u>	<u>Number of Jobs Held By Spouses and Dependents of Base Employees</u>
Agriculture	12	12
Construction	5	1
Transportation, Communica- tion or Utilities	2	27
Manufacturing	2	27
Wholesale/Retail	23	34
Finance, Insurance, or Real Estate	3	16
Services	73	183
Government	19	102
Other	<u>12</u>	<u>50</u>
Total	151	452

Source: Base Information Office, Loring AFB.

The presence of Loring AFB and its broad-based influence in the region has contributed a unifying force among local communities. It is anticipated that the Northern Maine Regional Land Use Planning Commission will emerge as a key agency in efforts to unite the area in economic recovery strategies. Future planning programs of the NMRLUPC will be affected by the loss of area population and resultant socioeconomic stresses, since regional planning and development has been largely influenced in the past by the presence of Loring AFB and the needs of its civilian and military personnel and dependents.

2. TRANSPORTATION (AFERN 4.4.1)

Off-Base (AFERN 4.4.1.2)

Air Transportation (AFERN 4.4.1.2.1)

Presque Isle Municipal Airport is located about 25 miles south of the base and is served by two airline companies, Delta Airlines and Bar Harbor Airways. These two companies receive all of the air traffic passenger and freight business generated by the base. The volume of air passenger and cargo use of these companies is summarized as follows:

<u>Presque Isle Municipal Airport</u>	<u>January-December 1975</u>	<u>January-March 1976</u>
Air Traffic Passengers' on Military Orders	1,330	369
Military Air Freight Shipped (lbs)	1,385	325
Military Air Freight Received (lbs)	32,010	NA

Source: Loring Air Force Base Transportation Office Records.
NA: Data not available.

Loring AFB generates an estimated 15 percent of air passenger service and 5 percent of the air freight shipments out of Presque Isle.^{1/} The reduction of the base will result in some economic loss to the two airline companies serving the area. Delta Airlines estimated that approximately 10 to 15 percent of their business with Presque Isle is base related.^{2/} At this time Delta is not considering rescheduling their two daily flights as a result of the proposed reductions at Loring. However, plans of Bar Harbor Airways to augment their three daily flights with one additional flight have been suspended as a result of the pending decision on reduction of Loring AFB.

There has been some concern in Presque Isle that the Federal Aviation Administration may be reluctant to supply the \$4,000,000 needed for improvement of the north-south runway if base demand for airline services is reduced. The improvements are necessary for the runway to meet the weight bearing requirements for Delta's 727. According to the FAA, runway improvements could be suspended or postponed if reductions at the base substantially curtail Delta's services to the area. However, given Delta's estimate that 10 to 15 percent of their area business is base-related, the FAA does not presently consider this loss significant enough to alter their reconstruction plans for the runway.^{3/} Improvements on the runway will be completed within 5 years, under the current schedule.

Rail Transportation (AFERN 4.4.1.2.2)

The Bangor and Aroostock Railroad (B&A) is the only line serving the impact area. Loring receives an average of 20,000 tons per year of coal on the B&A.^{4/} Economic loss to the railroad is not expected to be significant because base shipments are small in comparison to the B&A's total transport volume. There will be no significant affects on other area customers.^{5/}

Highways (AFERN 4.4.1.2.3)

State and local highway improvement projects planned or underway in the impact area and estimated for completion in 1977 comprise

an investment of over \$16,000,000.* It is not likely that the reduction of Loring AFB will alter these scheduled improvements.^{6/} The need of highway improvement and maintenance will not be significantly altered by personnel reductions at Loring.

Traffic in Limestone's commercial area will be greatly reduced. School bus requirements for the school district will be unchanged, for the same number of buses will be needed to serve the Limestone and Caswell areas. The proposed reductions could make the use of the Damon School on Loring AFB unnecessary and the remaining base students would require transportation to Limestone area schools. Otherwise, there will be no change in the number of bus routes.^{7/}

One commercial bus line, operated by B&A Railroad Company, provides round trip service once a day between Fort Kent and New York City. The economic impact on this bus line due to the proposed reduction of the base has not been determined. However, less than 1 percent of the people employed by the base travel on the bus for base business; there are no estimates of base personnel use of the bus for nonbusiness purposes.^{4/}

The household goods moving and storage industry is capital intensive with investment in buildings, office equipment and vehicles of more than \$1,250,000 net book value. Out of the six moving firms in Aroostock County, five were established after Loring AFB was built.^{8/} Without the volume of freight generated by Loring AFB, freight service to area communities may be reduced from the present number of daily shipments. Similarly, as demand for trucking services declines, the number of terminals for moving and storage use in Aroostock County may be reduced.^{9/}

Trends (AFERN 4.4.1.2.5)

The most likely long-term impact on transportation would be a reduction in the frequency of air and truck service to areas formerly served because of base-generated business.

On-Base (AFERN 4.4.1.3)

Interface with Community (AFERN 4.4.1.3.1)

There are 6,000 registered private vehicles at Loring AFB.^{4/} Vehicular activity between the base and the impact area is primarily composed of military personnel and civilian employees commuting

* Projects planned or underway in Houlton-Littleton, Presque Isle, Westfield, Bridgewater-Westfield, Madawaska, Fort Kent, Staceyville, Portage Lake, Macwahoc, Fort Fairfield, Van Buren, Smyrna-Littleton, Dyer Brook, and Medway-North.

between off-base residences and Loring, plus transportation of base dependents between Loring and local communities for school, shopping and recreation. The number of individuals commuting to Loring from area towns is presented in Table 2.

TABLE 2

NUMBER OF INDIVIDUALS COMMUTING TO LORING AFB
FROM PRINCIPAL COMMUNITIES OF THE IMPACT AREA

<u>Communities</u>	<u>Number of Commuters</u>
Caribou	295
Presque Isle	227
Fort Fairfield	51
Limestone	235

Source: Base Information Office, Loring AFB.

At the west gate and east gate of Loring AFB approximately 3,250 and 1,360 vehicles, respectively, pass per day. The reduction of Loring will reduce congestion during peak traffic periods (8:00 a.m. to 9:00 a.m. and 5:00 p.m. to 6:00 p.m.) and improve safety conditions on local highways at these times.

Military bus traffic to Presque Isle Municipal Airport carries approximately 10 passengers and 5 cargo items per week. Reduction of this traffic would not have a significant impact on local highway volumes.

Internal Circulation (AFERN 4.4.1.3.2)

The number of vehicles on base will be reduced by approximately the same percentage as the personnel reduction, or about 79 percent. Minor on-base traffic problems (e.g., parking in military housing areas) will be eliminated.

3. CIVILIAN COMMUNITY UTILITIES (AFERN 4.4.2.1)

Revenue and employment losses to community utility companies are included in the regional economic analysis developed by Hammer, Siler, George Associates.^{10/}

Loring AFB has its own water supply, treatment, and distribution system as well as its own wastewater collection and treatment system. Therefore, primary impacts on local water and sewage utility systems occurring

with the reduction of the base will result from the loss of off-base households of base personnel. Selected revenue losses are discussed below in relation to impacts on remaining utility users in the communities of Limestone, Caribou, Fort Fairfield, and Presque Isle.

The Limestone Water and Sewer District would lose about 126 households, or about 36 percent of their total number of residential users (350).^{10/} Maximum loss in revenue to this district would be over \$50,000 and would necessitate a rate increase to remaining customers (including about 225 residential users) of 76 to 133 percent.^{11/}

The Caribou Utilities District would lose about 181 households,^{10/} or about 11 percent of their total number of residential users (1,600). Based on an average annual household cost of \$100, this district would lose about \$18,100 annually, or about 8.2 percent of their total annual revenue (\$220,000).

The sewer system and treatment plant at Caribou are currently undergoing expansion; cost of this improvement is estimated at \$10,000,000. As a result of these improvements, the Caribou Utilities District is planning to increase rates for sewer utility users by about 110 percent. The impact of reduction of Loring AFB will require adding an additional 10 to 11 percent to this rate increase. These higher rates will affect approximately 1,420 residential units and 200 commercial units in the Caribou area.^{12/}

The Caribou Waterworks Corporation would also lose about 181 households, about 11 percent of their total residential users (1,593). Based on an average annual household cost of \$120, this Corporation would lose about \$22,000 annually, or about 9.6 percent of their total annual revenue (\$228,000). Future water rates to about 1,410 residential customers and 300 commercial customers would have to be raised by at least 10 percent.^{13/}

In the Fort Fairfield Utilities District, between 56 and 58 households would leave the area due to reduction of Loring AFB. The projected loss in revenue to the District for water services would be about \$5,000, based on an average annual household cost of \$89. This loss would represent 4.5 percent of this District's total revenue for water services (\$112,000) and over 750 remaining households would have a rate increase of about 10 percent. The average annual household cost for sewer services is \$130. The estimated annual loss in sewer utility revenues in this district would be about \$7,500, or 10.7 percent of annual revenues. This loss would necessitate an 11 to 12 percent rate increase for about 550 remaining users. A \$4,100,000 sewer system and treatment plant is currently under construction at Fort Fairfield; population losses attributable to reduction of Loring AFB will create excess capacity but existing plans are not expected to be altered.^{14/}

Revenue losses to the Presque Isle Water District would be negligible due to a contract between this District and the federal government which is a holdover from the Presque Isle AFB utility contract. Loss of about 176 households from Presque Isle^{10/} would reduce revenue of the Presque Isle Sewer District by about \$6,300, or about 5 percent of the District's total annual revenue (\$125,000). The reduction at Loring AFB will expedite the need for a rate increase to remaining users, including over 3,300 residential customers.^{11/}

The Maine Public Service Company would lose approximately \$200,000 in annual revenues from loss of on-base electric utility procurements. This loss represents about 1 percent of the company's total annual gross revenues. In addition, company representatives estimate an off-base loss of residential as well as small commercial and industrial users of about \$1,200,000 in annual revenue. These revenue losses will hasten the need for upward rate adjustments to remaining electric utility users.^{11/}

Impacts on the New England Telephone Company from reduction of Loring AFB will be minor.^{15/} There is no natural gas used at Loring AFB. There are three off-base sites which will receive significantly less solid waste as a result of reduction of Loring AFB. Base reductions will reduce revenues of independent solid waste disposal contractors but will not significantly alter civilian community solid waste disposal services. Reduction in fuel oil procurements for on-base use will not have any impact on local community utilities.

4. LAND USE (AFERN 4.4.3)

Existing Land Use (AFERN 4.4.3.1)

A detailed land use profile for the Caribou-Presque Isle Labor Market Area is not currently available. In general, undeveloped lands in this area are predominantly cropland and forest land; the primary developed areas are the four communities of Caribou, Presque Isle, Limestone, and Fort Fairfield.^{16/} Table 3 shows a general land use profile for Caribou, Presque Isle, and Fort Fairfield townships.

The agricultural economy of the impact area is primarily dependent on the potato industry, which is presently in a transition stage as agricultural labor is being displaced by mechanization. At the same time, the potato processing industry is absorbing an increasing percentage of the potato crop and sales of potatoes in bulk to processing plants are replacing a significant portion of the bagged potatoes which were once trucked out of the area. Both of the above factors have encouraged the trend toward fewer, larger farms in this area. Large growers and cooperatives are expanding as farming operations become more industrialized and the demand for farm labor declines.

TABLE 3

LAND USE PROFILE FOR CARIBOU, PRESQUE ISLE, AND FORT FAIRFIELD TOWNSHIPS, AROOSTOCK COUNTY, MAINE

Use	Caribou Township		Presque Isle Township		Fort Fairfield Township	
	Acres	Percent	Acres	Percent	Acres	Percent
Total Area	51,334	100.0	50,123	100.0	49,862	100.0
Inland Water	887	1.7	1,107	2.2	1,301	2.6
Land Surface	50,447	98.3	49,016	97.8	48,561	97.4
Forest Land	18,904	37.5	18,217	37.2	14,742	30.4
Cropland (active)	19,554	38.8	19,496	39.8	24,455	50.4
Pastureland	2,181	4.3	1,301	2.7	1,046	2.2
Idle Land	6,328	12.5	6,190	12.6	6,490	13.4
Urban or Built Up Land	3,480	6.9	3,812	7.8	1,828	3.8

Source: Northern Maine Regional Planning Commission, "Land Use Summary for the 208 Planning Area,"
July 1975.

The close proximity of Loring AFB to the Town of Limestone is shown in Figure 1. The developed area in Limestone is primarily residential. A few service centers, restaurants, gas stations, and trailer parks are located near the base in the vicinity of the runway center line at the south end of the runway.

Future Land Use (AFERN 4.4.3.3)

The percentage distribution of croplands, forest lands, and developed lands in the impact area will not change significantly as a result of reductions at Loring AFB. No significant expansion of the potato, lumber, or pulp and paper industries and their associated land use requirements would be anticipated because these industries are not presently capable of absorbing large numbers of additional employees. The most significant impacts on land use will relate to changing land values, ownership patterns, and land use trends in areas in transition, primarily access highway strip development, and in the urbanizing areas of the four primary impacted communities of Caribou, Presque Isle, Limestone, and Fort Fairfield.^{16/}

The bulk of land use changes have occurred as lands along major arteries have been directed toward more intensive commercial uses, including shopping centers, hospital construction, and related development. Residential growth has generally been in concentric circles around the four primary communities of Caribou, Presque Isle, Fort Fairfield, and Limestone.^{16/} Housing-related construction has dominated the building in the above four communities over the past several years. Most of this construction was directly or indirectly generated by the presence of Loring AFB. The sudden rise in housing vacancies which these communities will experience will largely halt new residential development throughout an undetermined transition period. Past trends in land conversion from agricultural to either commercial or residential use will likewise slow until the region successfully begins an economic recovery process.

Presque Isle and Fort Fairfield have 1975 comprehensive plans which were based on population and related projections dependent on continuing current operations at Loring. Plans of these townships and less recent planning efforts of Caribou and Limestone will have to be entirely reassessed if Loring AFB is reduced.

Land Ownership and Value (AFERN 4.4.3.2)

The announcement of the proposed reductions at Loring AFB has already significantly altered the land market throughout the impact area. If the base is reduced, the greatest instability in land ownership and decline in land value will likely occur on recently developed properties with commercial businesses^{16/} which are dependent on sales of goods or services to base personnel. Residential lands currently developed for housing of military and civilian personnel will also suffer significant reductions in value.

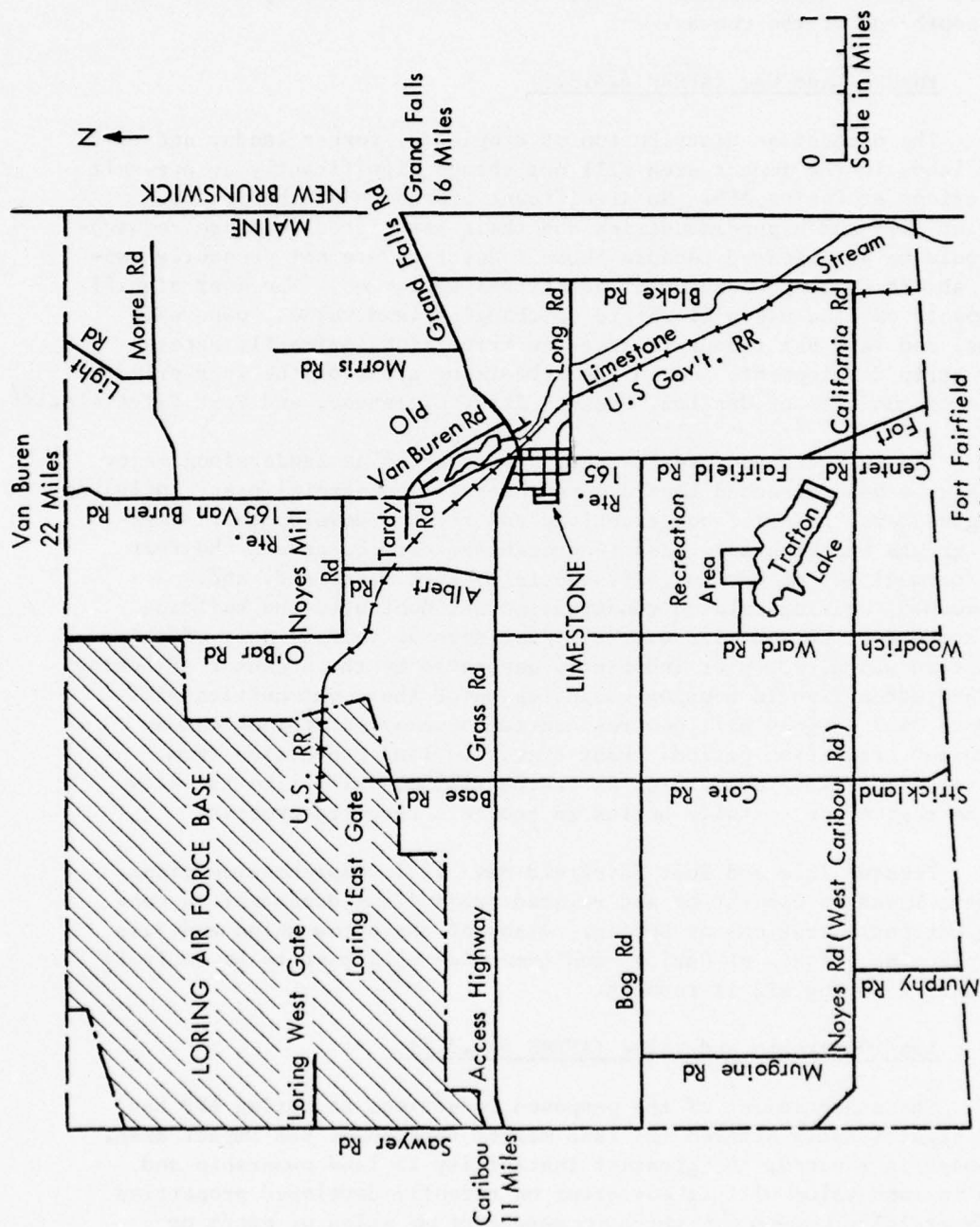


Figure 1 - Loring AFB and Limestone, Maine

While accurate projections on the locations and market value change of specific properties cannot be made, the decline in land value at some localities will be significant. For example, some commercial establishments most dependent on base-generated business or patronage by base personnel will be forced to either liquidate or relocate out of the area as a result of the reduction at Loring. The market value of these commercial lands will decline and, over the long-term, land may gradually shift from commercial to less intensive use. Vacancies and reduced investment in residential and commercial properties in Limestone, Caribou, Presque Isle, and Fort Fairfield will also reduce both property and land values.

Similarly, during the transition period properties which already are showing signs of decline may deteriorate more rapidly. Relatively well-maintained housing stock, including mobile home and apartment developments, will be vulnerable to early stages of reduced investment and disrepair, which may in turn lower values of adjacent land parcels.

A number of base facilities could be made available for lease to local communities if Loring AFB were reduced. The potential future use of these properties has not been determined. Essentially all of the development potential of lands near the base will depend on future use of base facilities. Without alternative base use, this development potential will decline significantly.

B. Closure of Blytheville Air Force Base

1. INSTITUTIONAL CHARACTERISTICS (AFERN 4.3)

Present forms of government and jurisdictional boundaries of the communities of Blytheville and Gosnell as well as Mississippi County are not expected to change as a result of closure of Blytheville AFB. However, impacts on the local governments of Blytheville and Gosnell which result from impacts on public finance, municipal and community services and facilities, and public schools (discussed in AFERN categories 4.2.3, 4.3.5, and 4.3.3, respectively) will be significant.

The economic, social, and cultural losses that Blytheville and Gosnell will sustain will necessitate some changes in the emphasis of governmental operations. During the transition period following base closure, the mayor and city council of Blytheville will likely assume greater importance. Cooperative agreements such as that between the City of Gosnell and the base for fire protection will have been lost, and governmental services will be needed to help civilian personnel currently employed at the base who will lose employment. At the same time, both financial and labor resources needed for government services will be strained. As an example, a number of base employees as well as their spouses and dependents hold jobs in the communities surrounding the base. Table 4 presents this employment by type. A large percentage of the employment (31 percent) is service-oriented. Although no base employees have government jobs as their second jobs, 55 of their spouses or dependents hold government jobs. With the closure of Blytheville AFB government agencies will experience a loss of manpower.

Long-range planning in the area surrounding Blytheville AFB will be affected by the population and economic losses sustained. In the past, planning has been tied to the presence of the base and the needs of the personnel associated with the base. Planning agencies will have to adjust future policies, programs, and revenues significantly as a result of the closure of the base.

TABLE 4

SECOND JOBS OF EMPLOYEES OF BLYTHEVILLE AIR FORCE BASE
AND EMPLOYMENT OF SPOUSES AND DEPENDENTS, BY TYPE

<u>Type of Employment</u>	<u>Number of Second Jobs Held By Base Employees</u>	<u>Number of Jobs Held by Spouses and Dependents of Base Employees</u>
Agriculture	4	2
Construction	14	7
Transportation, Communication or Utilities	15	24
Manufacturing	32	83
Wholesale/Retail	43	122
Finance, Insurance or Real Estate	8	13
Services	11	192
Government	0	55
Other	9	20
Total	136	518

Source: Data provided by TAB A-1 Environmental Narrative, Blytheville AFB.

2. TRANSPORTATION (AFERN 4.4.1)

Off-Base (AFERN 4.4.1.2)

Air Transportation (AFERN 4.4.1.2.1)

Blytheville AFB uses Memphis Metropolitan Airport for nearly 100 percent of its passenger service. The airport is about 75 miles from the base, requiring a driving time of about 1 hour and 30 minutes. The volume of base-related air passenger and freight services out of the Metropolitan Airport is summarized as follows:

<u>Memphis Metropolitan Airport</u>	<u>July - June 1975 - 1976</u>
Base Expenditure on Air Flights ^{1/}	\$76,543
Military Air Freight Shipped (lbs)	411
Military Air Freight Received	NA

NA = Not Available.

Source Blytheville Base Information Office.

The economic loss to airline companies as a result of base closure would not significantly alter services to remaining users given the high volume of passenger traffic and air freight operations at the Memphis Airport.^{17/}

Rail Transportation (AFERN 4.4.1.2.2)

Blytheville AFB has a defense rail switch which connects with the St. Louis Southwestern Railroad at Stringer, Arkansas. The base occasionally utilizes this system to move a mobile aircraft simulator. Elimination of this use of rail service would have no significant impact on rail transportation. There will be no significant affects on other area rail transportation.

Highways (AFERN 4.4.1.2.3)

There are two locations in the Blytheville community where congested traffic conditions will be improved with closure of Blytheville AFB. Part of Arkansas Highway 18 between U.S. Highway 61 in Blytheville and Interstate Highway 55 south and east of the city is presently a problem area. The Arkansas State Highway Department estimates the present vehicle per day (VPD) rate at 9,469, which is already within the 1988 highway use projection range for this section of road. The City of Blytheville has a current plan to improve the access but as yet no construction has begun. Although the current VPD loading on this area would be reduced, it is unlikely that these ongoing plans would be altered since Highway 18 is a major business route in the Blytheville area.^{18/}

The second area of traffic congestion which will be improved with base closure is County Highway 151 between Gates 1 and 3 of Blytheville AFB. The Arkansas State Highway Department plans to widen approximately 2 miles of this road to four lanes. This access road has been certified as important to national defense. Air force funds for 50 percent of the cost of preliminary engineering for the project have been approved, but could be withdrawn if the base closes since at least half of the traffic is base-related. Up until the time a contract is signed to begin construction, the project can be cancelled. However, if a contract has been signed before the base closes the project would be continued.^{19/}

A bridge has been constructed across the Mississippi River south of Caruthersville, Missouri and will be officially opened on December 1, 1976 with a dedication by the Governors of Missouri and Tennessee. Construction of roadways connecting the bridge, which is considered part of Interstate 155, to Interstate 55 in Missouri and U.S. Highway 51 in Tennessee is also in progress. No change in these highway projects is anticipated as a result of the closing of Blytheville AFB.^{20/}

Blytheville AFB processed approximately 1,300 shipments of household goods in 1976 at an estimated cost of \$1,099,781. These shipments were handled locally by 10 moving and storage agents representing 64 nation-wide moving companies. The base generates at least 75 percent of the business of these 10 agents; closing the base would likely force 9 of these 10 companies out of business. In addition, truck lines were used to ship \$66,812 worth of freight in 1976.^{21/}

There are no commuter bus lines to or from the base but a Greyhound Bus Line connecting Memphis, Tennessee, and St. Louis, Missouri, goes through Blytheville, Arkansas. Base personnel use this line for about 90 trips annually to the Memphis airport with a total expenditure of \$675.^{21/} These revenues to the bus line will be lost but no alteration in services is likely to occur.

Gosnell School District No. 6 provides educational facilities for base families. Approximately 61 percent of the students in the school are bused in from the base. The school district currently operates 16 buses; the number of buses needed will be reduced if the base is closed.^{22/}

The closure of Blytheville AFB would reduce the population in the area by 7,610 people. Both county road and city street funds returned from the state gas and registration tax are based on population. The closing of Blytheville would reduce road and street funds by approximately 36 percent.^{23/}

Trends (AFERN 4.4.1.2.5)

Transportation trends in the impact area will be affected if closure of Blytheville AFB results in cancellation or delay of any planned transportation projects such as the highway improvements discussed above. There is also currently a revived effort being made in Blytheville to obtain commercial air service for passengers and freight. A study is being developed to show the economy of this commercial service. Failure of the Civil Aeronautics Board to approve such a service is virtually assured with closure of Blytheville AFB. However, approval of the request is doubtful in any event because of Blytheville's close proximity to the Memphis airport.^{21/}

On-Base (AFERN 4.4.1.3)

Interface With Community (AFERN 4.4.1.3.1)

There are approximately 1,350 cars and trucks used by off-base military and civilian personnel traveling daily to the base. During peak traffic periods (8 to 9 a.m. and 5 to 6 p.m.) between 750 and 1,000 vehicles pass through the two main gates of Blytheville AFB. The base contributes about 30 percent of the total traffic volume in the area during these periods. During the remainder of the day the base is responsible for approximately 15

percent of the area's total traffic volume due to travel by personnel, dependents and spouses for shopping, school, and recreational purposes. Currently 227 people commute to the base from outside the Blytheville-Gosnell planning area. Closure of the base will reduce traffic throughout the area, particularly on Highway 151 and within the City of Blytheville.^{21/}

Internal Circulation (AFERN 4.4.1.3.2)

All on-base transportation by military and civilian personnel will be eliminated.

3. CIVILIAN COMMUNITY UTILITIES (AFERN 4.4.2.1)

Revenue and employment impacts on community utility companies are included in the regional economic analysis developed by Hammer, Siler, George Associates.^{10/}

Blytheville AFB has its own water supply, treatment, and distribution system as well as its own wastewater collection and treatment system. Impacts on local water and sewer utility systems occurring with the closure of the base would result from loss of off-base households of base personnel. Losses in revenue to local water and sewer districts are discussed below in relationship to impacts on remaining utility users.

The most significant impact on local water and sewer utilities will occur in the City of Gosnell. The Gosnell Water Association will lose about 50 percent of their total annual revenue with the loss of 443 households^{24/} of civilian and military personnel who are currently utility customers. Total annual revenue of the Gosnell Water Association is about \$73,000.^{25/} The City of Gosnell provides sewer services to these same off-base households and would lose a comparable percentage of their total annual revenue of about \$25,500.^{26/} The Gosnell Water Association and the City of Gosnell presently have outstanding loans from the Farmer's Home Administration of about \$1,145,000 for construction of needed water and sewer facilities. If the base were closed there would be considerable difficulty in meeting scheduled interest and principal payments on these bonds.^{24/} Impacts on utility rates to 485 remaining residential users cannot be determined.^{25/}

The City of Blytheville has 6,757 residential water users and 657 nonresidential water users. Total annual utility revenues for water services are about \$686,000, of which residential users contribute about 74 percent. There are about 6,300 residential and 900 nonresidential sewer customers; total annual utility revenues to the city for sewer services are about \$300,000, of which residential users contribute about 76 percent. Based on an estimated loss of 891 households in Blytheville and 443 in the Gosnell area as a result of base closure, the City of Blytheville may lose about 10 percent of their utility revenues for water and sewer services. Loss of

this revenue could hasten the need for upward rate adjustments to remaining customers.^{27/}

The Arkansas-Missouri Power Company would lose approximately \$474,000 in annual revenues from loss of base-related sales, including \$264,000 in electrical utilities, \$104,000 in natural gas procurements, and \$106,000 in sales of heating and cooking fuel.^{28/} The Arkansas-Missouri Power Company has already filed for a rate increase and the outcome of this request is not expected to change with closure of the base; therefore, impacts on remaining electric utility users in the community are not expected to be significant.^{29/} Similarly, the cost and availability of natural gas for community users will not be affected by base closure.

In relationship to fuel oil procurements by the base, the Blytheville River Rail Terminal Company has invested in excess of \$420,000 in facilities to ship fuel oil from the Mississippi River to Blytheville AFB. Closure of the base would necessitate closure of this company. In addition, terminal dock facilities would no longer be available for several auxiliary services which are now provided, including river shipment of petroleum products to the Arkansas-Missouri Power Company, and use by the U.S. Army Corps of Engineers.^{30/}

Southwestern Bell Telephone Company provides on-base residential and administrative service lines to the base and would lose an estimated \$1,017,000 in annual revenues with base closure. Base personnel residing off-base constitute an estimated additional 1,334 subscribers; based on an average use by on-base households of about \$540 per year, these off-base households contribute an additional \$720,000 in annual revenues to this utility company. Total revenue to this company for Mississippi County telephone service is approximately \$6,180,000 annually. Therefore, total revenue lost with base closure could represent a maximum of 28 percent of countywide telephone revenues. Rates to remaining users in Mississippi County would not be changed as a result of base closure, however.^{31/}

All solid waste generated on-base is disposed of in a base sanitary landfill. The Arkansas Waste Disposal Company will lose approximately \$79,000 annually, or 6-7 percent of the company's total annual gross revenues, from loss of government procurements for refuse collection if the base is closed. Additional contractual agreements for operation of the sanitary landfill amount to about \$32,000 annually.^{32/} Households of personnel residing off-base generate an estimated 10.6 acre-feet of solid waste annually. Each municipality in the area has its own collection and disposal system, primarily incineration or landfill. While many landfills do not comply with EPA requirements in this area, base closure would have a negligible impact on these operations.^{21/}

4. LAND USE (AFERN 4.4.3)

Existing Land Use (AFERN 4.4.3.1)

Land use in Mississippi County is characterized as follows: cropland, 88 percent; pasture land, 1 percent; range land, 0 percent; forest land, 8 percent; and urban and built-up land, 3 percent. The county is basically agricultural, with primarily dependence on row crops. Blytheville is basically a commercial market for the intensive farming country which surrounds it. In this county as in many other rural areas the number of farms has been decreasing over the last 10 years while the average size per farm has been increasing.^{33/} At the same time farming operations are becoming more mechanized and the demand for farm labor has been gradually declining.

Blytheville AFB is located in the northern part of Mississippi County. The close relationship between the base and the Blytheville-Gosnell Planning Area can be seen in Figure 2; the dotted line shows the city limits, which include the base. Interstate Highway 55 passes to the east of the city, and U.S. Highway 61 traverses the planning area in a north-south direction. According to the most recent land use profile, residential uses absorb about 48 percent of all developed land in the planning area, with practically all of this development in single-family structures. Commercial use constitutes about 6 percent of total urban use; the majority of this is automotive commercial use in strip commercial development, oriented toward drive-in business. Industrial use absorbs about 8 percent and public use and transportation facilities comprise the remaining 38 percent of urban land use. Non-urban lands in agriculture and open space occupy a proportionate acreage to the developed lands within the Blytheville-Gosnell Planning Area.^{34/}

Future Land Use (AFERN 4.4.3.3)

The relative percentage distribution of cropland, forest land, range land, pasture land, and developed land in Mississippi County will not change as a result of closure of Blytheville AFB. The primary impacts on land use will be related to changes in land values, ownership patterns, and land use trends in developing areas in the Blytheville-Gosnell urban area.

Housing and commercial developments in Blytheville and Gosnell have been greatly influenced in the past by base-generated demand. Examples of rapidly growing residential areas include developments on the northern perimeter of Blytheville (south and east of the golf course and also east of U.S. Highway 61) and in the northeastern area of the city. A significant decline in rate of development of these areas has already occurred as a result of the announcement of potential base closure. Similarly, development of commercial areas (for example, the I-55 interchange area east of Blytheville) has slowed. If the base were closed, the rate of development of many areas previously in transition to residential and commercial use in Blytheville and Gosnell would be significantly reduced. The Mississippi County Community

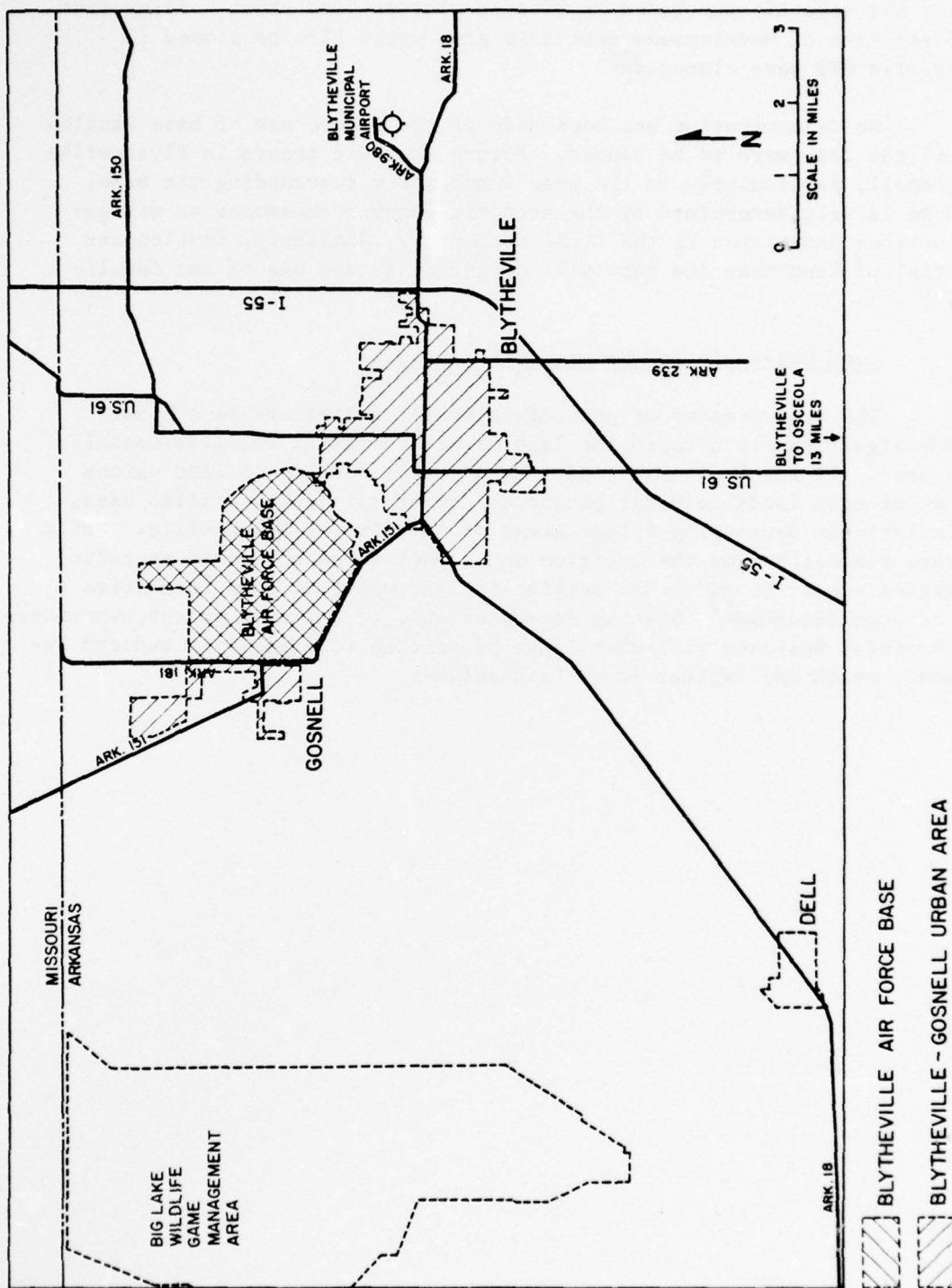


Figure 2 - Vicinity Map, Blytheville AFB, Arkansas

College has recently purchased an 80-acre plot of land about 4 miles from the base; rate of development near this area would also be slowed if Blytheville AFB were closed.^{35/}

No determination has been made of the future use of base facilities if the base were to be closed. Future land use trends in Blytheville and Gosnell, particularly in the area immediately surrounding the base, would be largely determined by the economic recovery measures or mitigative actions undertaken by the local community. Similarly, development potential of land near the base will depend on future use of the facilities.

Land Ownership and Value (AFERN 4.4.3.2)

The announcement of possible closure of Blytheville AFB has already significantly altered the land market in the Blytheville-Gosnell urban area. If the base is closed, the greatest decline in land values will occur with lands held for potential commercial or residential uses, particularly in developing fringe areas of the City of Blytheville. While accurate projections on the location and market value change of specific properties cannot be made, the decline in land value at some localities will be significant.^{35/} Housing vacancies and, to a lesser extent, vacancies in commercial business will also leave properties vulnerable to reduced investment, which may further lower land values.

III. COMPARATIVE ANALYSIS OF ALTERNATIVE ACTIONS

A. Institutional Characteristics

The basic structures and jurisdictional boundaries of governmental institutions in the impact area of either Loring AFB or Blytheville AFB would not be altered. Changes in the governmental infrastructures in either impact area cannot be anticipated without an accompanying comprehensive examination of impacts on public finance, public services, and public education. Alternative institutional arrangements would be needed to implement successful economic recovery strategies in the impact areas if either reduction of Loring AFB or closure of Blytheville AFB were proposed.

B. Transportation

Alternative 1 - Reduction of Loring AFB: Bar Harbor Airways' plans to expand air services out of Presque Isle Municipal Airport have been cancelled as a result of the proposed reductions at Loring AFB. Delta's service to Presque Isle depends primarily upon the condition of the runway and their plans to increase use of 747's. Rail and bus transportation to the area will not be significantly affected. Highway congestion during peak traffic periods will be reduced, principally on U.S. Interstate 1 and State Highway 89. Reduced traffic where the east and west gates merge with State Highway 89 will reduce safety hazards for other motorists. Planned highway improvements will take place and the need for road maintenance will not be significantly reduced. The household goods moving and storage industry could lose a substantial portion of their total revenue if the proposed reductions take place. Moving and storage services to the area would be reduced.

Alternative 2 - Closure of Blytheville AFB: Air, bus and rail service to the Blytheville area will not be significantly affected by the closure of the base. However, obtaining future commercial airline service to Blytheville Municipal Airport will be more difficult without the air traffic generated by the base. No affect on highway improvement projects in the area is anticipated. An ongoing project to widen County Highway 151 between Gates 1 and 3 near the base may be reevaluated. County and city highway funds will decrease by approximately 36 percent.

Blytheville AFB generates at least 75 percent of the total business of the area's 10 major moving and storage companies. If the base were to close only 1 out of the 10 firms would likely remain in the community.

C. Civilian Community Utilities

Alternative 1 - Reduction of Loring AFB: Rates in Limestone, Caribou, and Fort Fairfield will be raised for water and sewer services; in Presque Isle, sewer utility rates will be raised. The highest increase will occur in the Limestone Water and Sewer District where remaining users will be charged rates between 76 and 133 percent higher as a result of base closure.

Revenue losses to the Maine Public Service Company may hasten the need for upward rate adjustments to remaining customers.

The availability of telephone, natural gas, solid waste, and fuel oil services to remaining civilian users will not be significantly altered as a result of base reduction.

Alternative 2 - Closure of Blytheville AFB: The Gosnell Water Association and the City of Gosnell would have considerable difficulty in meeting scheduled interest and principal payments on a Farmer's Home Administration Loan for construction of new water and sewer facilities. Revenue losses to the City of Blytheville may hasten the need for higher rates to water and sewer utility customers.

The Blytheville River Rail Terminal Company would close and dock facilities would no longer be available for auxiliary purposes.

The availability of telephone, electrical, and solid waste services to remaining civilian users will not be significantly altered as a result of closure of the base.

D. Land Use

Alternative 1 - Reduction of Loring AFB: New residential and commercial use of previously undeveloped land in the Presque Isle-Caribou Labor Market Area will essentially halt for an undetermined transition period. The market value of land held in anticipation of more intensive development (primarily residential and commercial uses) will decline significantly. Considerable decline in market values of some parcels has already occurred. Residential and commercial use areas will be particularly susceptible to reduced investment and lower land values resulting from vacancies and liquidation of small businesses.

Alternative 2 - Closure of Blytheville AFB: The relatively high proportion of off-base residential housing which characterizes the Blytheville-Gosnell urban area is a direct result of Blytheville AFB. Expansion of residential land use in the Blytheville-Gosnell area which had previously been occurring at a high rate has already ceased and the land market is severely depressed. The very close land use relationship between the Blytheville AFB and the surrounding urbanizing area will result in severely disrupted land use trends.

IV. IMPACT SUMMARIZATION AND UNRESOLVED ISSUES

A. Irreversible and Irretrievable Commitments of Resources

There appear to be no resources pertaining directly to governmental institutions, transportation, civilian community utilities, or land use which would be irreversibly committed to any purpose should either Loring AFB or Blytheville AFB be selected as the candidate action.

B. Unavoidable Adverse Effects and Mitigation Possibilities

1. Loring AFB, Maine: Local governmental units would be severely disrupted and future activities constrained due to losses in local population and accompanying losses in manpower and financial resources for government functions. Area communities will lose valuable leadership and experience provided by base personnel, their spouses, and their dependents. The socio-economic changes which this action would create would alter past planning assumptions for all levels of government. New goals and directions will be necessary, particularly for areawide economic recovery measures.

The primary adverse impact on transportation systems will be the possible reduction in air and truck services to the impact area.

Revenue losses to utility companies serving the impact area will be unavoidable. However, these losses are included in the regional income analysis. Revenue losses will generally not result in higher rates to remaining customers, with the exception of losses to water and sewer utilities. Loss of 36 percent of the residential users in Limestone will require a water and sewer rate increase of 76 to 133 percent. Loss of 11 percent of the residential users in Caribou will require approximately a 10 percent increase in water and sewer rates. Loss of 4.5 percent of the residential users of the water utility and almost 11 percent of the residential users of sewer services will require rate increases for water and sewer utilities in Fort Fairfield of 10 percent and 11 to 12 percent, respectively. Revenue losses in the Presque Isle Sewer District will expedite the need for a rate increase.

Revenue losses to the Maine Public Service Company will expedite the need for rate adjustments to remaining users.

Primary adverse effects on land use will relate to changing land values. Due to impacts on the housing market and regional income losses, vacancies in residential and commercial properties will occur. Some land areas developed for these purposes or in transition toward more intensive use will decline considerably in value. Land use plans and policies will have to be reassessed with entirely new assumptions about growth parameters

in the impact area. Land ownership turnover of some residential and commercial properties may lower investments in existing properties which will further decrease land values.

These adverse impacts can be partially mitigated by a number of potential actions. Since the base will continue in operation as a military installation, development projects cannot be designed around a full-scale use of land and facilities currently at the base. Other regional and community economic development projects to be considered in this area which would generate employment opportunities and help stabilize the area's economy will likely focus on the potato processing industry, lumbering, and the pulp and paper industry. In addition, the state is attempting to attract small, clean industrial development; the Northern Maine Regional Land Use Planning Commission may be the primary agency for coordinating the region's communities into an effective economic recovery program for industrial and/or commercial expansion.

A number of federally-sponsored programs under the Department of Defense, Small Business Administration, Community Services Administration, Department of Commerce and the New England Regional Commission should be investigated by the impact region. Descriptions of these programs are included in Part 3 of this section.

2. Blytheville AFB, Arkansas: Local governmental units would be severely disrupted and future activities constrained due to losses in local population and accompanying losses in manpower and financial resources for government functions. Area communities will lose valuable leadership and experience provided by base personnel, their spouses, and their dependents. The socioeconomic changes which this action would create would alter past planning assumptions for all levels of government. New goals and directions will be necessary, particularly for areawide economic recovery measures.

There will be an estimated 36 percent loss of county and city funds for maintenance and improvement of local roads.

Revenue losses to utility companies serving the impact area will be unavoidable. However, these losses are included in the regional income analysis. Revenue losses will generally not result in higher rates to remaining customers, with the exception of losses to local water and sewer utilities. In Gosnell, there will be a loss of 50 percent of the residential water and sewer utility customers. The Gosnell Water Association and the City of Gosnell may be unable to cover their bond obligations for financing new water and sewer facilities. The City of Blytheville may lose 14 percent of their residential water and sewer customers which would hasten the need for upward rate adjustments to remaining users of these utilities.

The Blytheville River Rail Terminal Company would close and auxiliary uses of their terminal dock facilities would be lost.

Adverse effects on land use will relate to changing land values. Due to impacts on the housing market and regional income losses, some areas developed for residential and commercial use will decline considerably in value. These impacts will primarily occur on lands on the fringe areas of Blytheville currently in transition to residential use, existing residential areas in Gosnell, and commercial centers along major access highways. Land use plans and policies for the Blytheville-Gosnell Urban Area will have to be reassessed with new assumptions on growth parameters.

There are a number of potential uses of the base lands and facilities which could be part of a comprehensive redevelopment program. Military to civilian conversions to a great diversity of uses (primarily industry, commercial, aviation, education, housing, recreation, and municipal) have been accomplished in the past by communities in similar circumstances. There are also a number of federally-sponsored programs under the Department of Defense, the Small Business Administration, Community Services Administration, the Department of Commerce, and the Ozarks Regional Commission which are possible sources of mitigation projects. Descriptions of many of these are included below.

C. Mitigation Measures - Federal Assistance Programs^{1/}

DEPARTMENT OF DEFENSE

Office of the Assistant Secretary

Community Economic Adjustment: This program aims to assist communities to overcome adverse economic impacts resulting from program changes of the Department of Defense through a concerted utilization of existing federal, state, local and private sector resources. Assistance ranges from advice and technical analyses to a coordinated application of appropriate federal programs involving grants and loans. The program includes guidance in the conversion of surplus Defense installations to productive civilian use and direct technical assistance to communities in developing strategies for economic growth.

SMALL BUSINESS ADMINISTRATION

Displaced Business Loans: This program aims to assist small businesses which have experienced substantial economic injury as a result of displacement by, or location in or near a federally aided project.

^{1/} Executive Office of the President, Office of Management and Budget, "Catalog of Federal Assistance" (Washington, D.C.: U.S. Government Printing Office, 1975).

Base Closing Economic Injury Loans: The objective of this program is to assist small business concerns subject to economic injury as the result of closing by the Federal Government of a major military installation under the Department of Defense, or as the result of a severe reduction in the scope and size of operation of such an installation. Assistance is provided for continuing in business at an existing location, reestablishing a business, purchasing a new business, or establishing a new business.

COMMUNITY SERVICES ADMINISTRATION

Community Action: The objectives of this program are to mobilize and channel public and private resources into antipoverty action; to increase the participation of the poor in such programs; and to strengthen the planning and coordination of such programs. They are primarily implemented by a Community Action Agency, which is state-designated. A wide variety of projects are financed with CAA funding. The chief beneficiaries are low income families and individuals in urban and rural areas.

Community Economic Development (Special Impact): The objectives of this program are to promote community based economic development through the partnership of established business with locally controlled community organizations. Eligible areas are rural or urban regions having concentrations or substantial numbers of low income persons.

DEPARTMENT OF COMMERCE

Economic Development Administration

Grants and Loans for Public Works and Development Facilities: The objective of this program is to assist in the construction of public facilities needed to initiate and encourage long-term economic growth in designated geographic areas where economic growth is lagging behind the rest of the Nation. Grants are for public facilities. Proposed projects must be consistent with the currently approved overall economic development program for the area. Beneficiaries must be unemployed or underemployed persons and/or members of low-income families.

Business Development Assistance: The objective of this program is to encourage industrial and commercial expansion in designated areas by providing financial assistance for projects that cannot be financed through private lending institutions. Funds may be used for most kinds of new industrial or commercial facilities or to expand one already in existence.

Technical Assistance (Economic Development): The aim of this program is to solve problems of economic growth in EDA-designated geographic areas through project grants, feasibility studies, management and operation assistance, and other studies. Most technical assistance applicants are private nonprofit groups or municipal or county governments or entities thereof, located in economically depressed areas of the country.

Public Works Impact Projects: The objective of this program is to provide immediate useful work to unemployed and underemployed persons in designated project areas. This work is restricted to the construction of public facilities.

State and Local Economic Development Planning: This program aims to develop the capability of state and local governments to undertake an economic development planning process that is comprehensive in scope, with particular emphasis on reducing unemployment and increasing incomes. Grants are used for planning, staff salaries and related administrative expenses.

Special Economic Development and Adjustment Assistance Program: The intent of this program is to provide aid to state and local areas attempting to meet special needs arising from unemployment and from severe changes in economic conditions. Grants may be made to develop or carry out plans for a variety of projects, including the following: public facilities, public services, business development, relocation of individuals, rent supplements, or other appropriate assistance.

In addition, the Regional Commissions have at least three programs available to member states which may be useful in mitigating adverse impacts; these are described as follows:

(New England/Ozarks) Regional Economic Development: This program provides project grants to improve opportunities for employment, average level of income, or the economic and social development of a given area.

(New England/Ozarks) Technical and Planning Assistance: Project grants and contracts are awarded to assist regions in evaluating needs and potentialities for economic growth through research, planning, and demonstration projects and training programs.

(New England/Ozarks) Supplements to Federal Grant-In-Aid: Grant-in-aid supplements are available to provide a portion of the local share of federal grant-in-aid programs for the construction or equipping of facilities or the acquisition of land when a community, because of its economic situation, cannot supply the matching share.

D. Details of Unresolved Issues

1. Loring AFB: The long-term use of the lands and facilities of the base are presently unresolved.

2. Blytheville AFB: The long-term use of the lands and facilities of the base are presently unresolved.

MATRIX OF MITIGATIVE PROGRAMS/ACTIONS THAT MIGHT BE
CONSIDERED FOR MEETING POTENTIAL UNAVOIDABLE ADVERSE IMPACTS

Community Impact	Level of Program and Nature of Mitigation		
	Federal	State (with coordination at local level)	Local
I. Institutional Characteristics Need for New Institutional Arrangements for Economic Recovery Strategies	1. Loan programs to attract industry into affected areas.	1. State or local guarantee of private mortgage loans for incoming or expanding existing industry. (Development corporation, industrial parks, etc.).	1. More favorable tax assessment in affected areas for existing industry.
	2. Foreign trade: Preferential availability of Export-Import Bank credits and other export assistance to business in affected areas.	2. Direct state loan programs to attract industry. Most effective if handled in conjunction with Federal and/or local programs of this type.	2. Special tax inducements and/or rates to attract new industry.
	3. Establishment of custom free foreign trade zones in affected cities to aid their attractions for international trade.	3. State-local contracts might be preferentially placed in affected areas.	3. Setting up local development credit corporations to attract new industry and expand or retain existing industry in cooperation with private investors.
	4. Higher depreciation allowances and special tax credit for new investment in such areas.	4. Special state and local school building program and hospital construction program in area.	<u>Banking and Financial</u> 1. Encourage local development through availability of credit on favorable terms.
	5. Lower rate of corporate or individual income taxes in severely affected areas.	5. Special state tax inducements to attract new industry into affected areas.	2. Setting up joint funds for the above purposes in order to spread risks in financing new ventures or for the conversion of existing firms.
		6. Construction of factories for new industry or leasing of existing factories. Industry either paying rent or lease-purchase arrangements on favorable terms.	3. Participating in the financing of local development corporations. <u>Community (Chamber of Commerce and similar organizations)</u> 1. Publicity on locational advantages of areas.
			2. Planning for further development of area infrastructure, industrial and commercial development.
			3. Setting up of joint undertaking to attract new industry into area, possibly by participation in local privately financed development corporations.

MATRIX OF MITIGATIVE PROGRAMS/ACTIONS THAT MIGHT BE
CONSIDERED FOR MEETING POTENTIAL UNAVOIDABLE ADVERSE IMPACTS

Community Impact	Level of Program and Nature of Mitigation		
	Federal	State (with coordination at local level)	Local
I. Institutional Characteristics			4. Setting up land buildings in industrial parks or estates for attracting industry.
			<u>Affected Firms</u>
			1. Greatest possible effort to continue local operations through switching over to nondefense business, either through the development of new products or shifting of operations from other areas where branch divisions are located.
			2. Encouragement of research to develop new nondefense products.
			<u>Labor Unions</u>
			1. Establishing a "favorable" labor image in affected areas, through moderation and constructive attitudes; must start <u>before</u> areas are affected.
			2. If necessary, moderating pay or other demands, and in some cases accepting pay cuts to keep plants in affected areas operating.
			3. Spread-the-work arrangements by a voluntary ban on overtime work.
II. Transportation	1. Federal highway programs. Speed up of expenditures in affected areas.	1. Special state and local road building and maintenance program in affected areas.	
	2. Airport construction in affected areas.		
	3. Increase in subsidies to airline serving affected areas.		

TABLE OF MITIGATIVE PROGRAMS/ACTION THAT MIGHT BE
CONSIDERED FOR MEETING POTENTIAL UNAVOIDABLE ADVERSE IMPACTS

	Community Impact	Level of Program and Nature of Mitigation	
		State (with coordination at local level)	Local
III. Land Use Declining Land Values		<p>1. Special rehabilitation and home modernization programs in affected areas to assist building industry. (Example: Declaring area equivalent to urban renewal area, making available low cost long-term mortgages for rehabilitation.)</p> <p>2. Subsidies to cushion losses on selling owner-occupied homes for families having to re-locate.</p> <p>3. Stepped-up urban renewal expenditures, with special consideration given to the needs of affected areas.</p> <p>4. Preference for constructing Federal buildings in affected areas.</p> <p>5. Stepped-up public housing programs, particularly for aged, both nationally and/or with special consideration for affected areas.</p>	<p><u>Banking and Financial</u></p> <p>1. Leniency in respect to home mortgage loans and mortgage loans on individual and commercial real estate.</p> <p>2. Leniency in treatment of business borrowers losing defense contracts or of personal borrowers affected by cutbacks.</p>

REFERENCES

- 1/ This estimate includes only passengers on military orders.
- 2/ This estimate does include airline use by relatives or dependents of base personnel; it also includes business people who serve the base but are not government employees. Data provided by Mr. Frank Perrault, Presque Isle Station Manager for Delta Airlines, Presque Isle, Maine (telephone communication, November 24, 1976).
- 3/ Data provided by Mr. Bill Cronan, Federal Aviation Administration, Burlington, Massachusetts (telephone communication, November 24, 1976).
- 4/ Data provided by Base Information Office, Loring AFB.
- 5/ Information provided by Mr. Richard Sprague, Bangor and Aroostook Railroad, Presque Isle, Maine (telephone communication, December 3, 1976).
- 6/ Information provided by Mr. Daniel Webster, Jr., Maine Bureau of Planning, Augusta, Maine (telephone communication, December 6, 1976). The allocation of road and street funds returned from the state will not be significantly reduced by the closing of Loring AFB and the resulting population loss to the area.
- 7/ Statement by Mr. Daniel Boothby, Superintendent of Schools for Limestone, "Record of Proceedings, Hearing for Informal Public Comment on Draft Environmental Impact Statements," Limestone, Maine, November 17-18, 1976.
- 8/ Information provided by Mr. Milton Bailey, Bailey Parker and Sons, Houlton Road, Presque Isle (telephone communication, November 29, 1976).
- 9/ Mr. Galen Cole, Coles Express, General Offices, 444 Perry Road, Bangor, Maine (letter communication to Mr. Milton Bailey, November 1, 1976).
- 10/ Data on estimated household loss provided by Hammer, Siler, George Associates, 1140 Connecticut Avenue, NW, Washington, D.C., 20036.
- 11/ Data based on information provided by Mr. Theodore H. Grant, Vice President of Engineering and Operations, Maine Public Service Company, 209 State Street, Presque Isle, Maine (telephone communication, November 29, 1976).
- 12/ Data based on information provided by Mr. Charles D. Hatch, Treasurer, Caribou Utilities District, 16 Dorcas Avenue, Caribou, Maine (telephone communication, November 29, 1976).

- 13/ Data based on information provided by Mr. David Bradley, Manager, Caribou Waterworks Corporation, P.O. Box 10, Caribou, Maine (telephone communication, November 29, 1976).
- 14/ Data based on information provided by Mr. John Gorman, General Manager, Fort Fairfield Utilities District, 138 Main Street, Fort Fairfield, Maine (telephone communication, November 29, 1976).
- 15/ Data based on information provided by Mr. Ed Footer, General Manager, Outside Plant Engineering, New England Telephone Company, 387 Main Street, Presque Isle, Maine (telephone communication, November 29, 1976).
- 16/ Information confirmed by Mr. Ken Arndt, Planning Chairman, Northern Maine Regional Land Use Planning Commission, P.O. Box 779, Caribou, Maine (telephone communication, December 7, 1976).
- 17/ Information provided by Mr. Willard N. Fletcher, President of the Airport Authority, Memphis, Tennessee (telephone communication, December 3, 1976).
- 18/ Information provided by Mr. Robert Aguiar, Administrative Assistant to the Mayor of Blytheville, Arkansas (telephone communication, November 16, 1976).
- 19/ Information provided by Mr. Charles Venable, Assistant Chief Engineer for Planning, State of Arkansas, Highway Department (telephone communication, November 16, 1976).
- 20/ Information provided by Mr. W. H. Dill, Assistant to the Chief Engineer for Operations, Missouri State Highway Commission (telephone communication, November 16, 1976).
- 21/ Base Information Office, Blytheville AFB.
- 22/ Information provided by Mr. J. W. Rea, Superintendent of Schools, Gosnell School District, "Proceedings of the Hearing for Informal Public Comment on Draft Environmental Impact Statements" (Blytheville, Arkansas, October 18-19, 1976), p. 118.
- 23/ Information provided by Mr. O. D. Treadway, Arkansas State Treasury, Little Rock, Arkansas (telephone communication, December 7, 1976).
- 24/ Information based on testimony of Mr. Richard Reid, "Record of Proceedings, Hearing for Informal Comment on Draft Environmental Impact Statements," (Blytheville, Arkansas, October 18-19, 1976), pp. 32-34.
- 25/ Water utility revenue provided by Mr. Walter Maxwell, Plant Superintendent, Gosnell Water Association, P.O. Box 172, Blytheville, Arkansas (telephone communication, November 29, 1976).

- 26/ Sewer utility revenues provided by Ms. Diane Short, City of Gosnell, Gosnell, Arkansas (telephone communication, November 26, 1976).
- 27/ Data based on information provided by Mr. Robert Aguiar, Administrative Assistant to the Mayor of Blytheville, City Hall, Blytheville, Arkansas (telephone communication, December 3, 1976).
- 28/ Information provided by Dr. L. E. Talbert and Dr. John Kaminarides, et. al., "The Economic Impact of the Proposed Closure of Blytheville AFB, Blytheville, Arkansas," (unpublished report of the College of Business, State University, Arkansas, November 1976).
- 29/ Information provided by Mr. Robert Jamison, Director of Consumer Affairs, Arkansas-Missouri Power Company, 405 West Park Street, Blytheville, Arkansas (telephone communication, November 15, 1976).
- 30/ Information provided by Mr. James Gardner, representative of the Blytheville River Rail Terminal Company, "Proceedings of the Hearing for Informal Public Comment on Draft Environmental Impact Statements," (Blytheville, Arkansas, October 18-19, 1976).
- 31/ Data provided by Mr. Terry Morgan, Manager, Southwestern Bell Telephone Company, 322 South 2nd Street, Blytheville, Arkansas (telephone communication, December 2, 1976).
- 32/ Information provided by Mr. Ralph Holland, General Manager, Arkansas Waste Disposal, 304 Scott Hamilton Drive, Little Rock, Arkansas (telephone communication, November 26, 1976).
- 33/ U.S. Department of Agriculture, Soil Conservation Service, "Arkansas Soil and Water Conservation Needs Inventory," 1970.
- 34/ Manes, Brasseale, Hodges & Associated, Inc., "Physical Characteristics," Comprehensive Planning Study, Blytheville-Gosnell Joint Planning Commission, January 1970.
- 35/ Information provided by Mr. Elbert Johnson, representative of the Blytheville-Gosnell Real Estate Board, Attorney, 215 West Walnut, Blytheville, Arkansas, and Mr. B. M. Terry, Terry Abstract and Real Estate, Blytheville, Arkansas (telephone communication, December 3, 1976).